



Affordable Housing in Rural Pennsylvania



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Rural Pennsylvania

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**By Rajen Mookerjee, Ph.D.,
Department of Economics, Pennsylvania State University – Beaver
and
Angela M. Williams Foster, Ph.D., and David Y. Miller, Ph.D.,
Graduate School of Public and International Affairs, University of Pittsburgh**

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The Center for Rural Pennsylvania is a bipartisan, bicameral legislative agency that serves as a resource for rural policy within the Pennsylvania General Assembly. It was created in 1987 under Act 16, the Rural Revitalization Act, to promote and sustain the vitality of Pennsylvania's rural and small communities.

Information contained in this report does not necessarily reflect the views of individual board members or the Center for Rural Pennsylvania. For more information, contact the Center for Rural Pennsylvania, 200 North Third St., Suite 600, Harrisburg, PA 17101, telephone (717) 787-9555, fax (717) 772-3587, email: info@ruralpa.org.

Executive Summary

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Affordable, quality housing provides well-documented benefits to families, children, and the community at large. For this reason, access to such housing is important to the residents of rural Pennsylvania. This study served to determine the availability of quality affordable housing across Pennsylvania's rural counties.

To accomplish this task, the researchers used three basic methods, the first of which employed existing statistics to estimate the demand and supply of affordable housing in each rural county. Then, to augment the statistical analysis with information on local dynamics and funding issues, the researchers conducted telephone surveys of various housing agencies and other stakeholders in the affordable housing arena. Finally, the researchers conducted case studies of six rural counties, each with a unique set of factors affecting housing dynamics. The combination of statistical analysis, telephone interviews, and case studies provides a rich analysis of affordable housing in rural Pennsylvania.

Major findings

- There is a shortage of affordable housing in all rural counties in Pennsylvania although the severity of and the reasons for the shortage vary.
- The shortage is especially acute for extremely low-income households (income less than 30 percent of the area median income, or AMI¹) who want to rent.
- The shortage of affordable rental housing is most severe in the north-east region of rural Pennsylvania.
- There is a distinct regional pattern to the reasons for the affordable housing shortage. Shortages in the rural western side of the state are mainly due to a lack of rehabilitation funds, while those in the rural eastern half are a result of increased population that has led to increased land costs making the construction of affordable housing more difficult.
- Throughout the state, increases in both single person households and households with older members are exacerbating the housing shortage.
- The rise in the elderly rural population has increased the demand for housing suitable for the disabled.
- Zoning, NIMBYism², and land use regulations are barriers to the construction of affordable housing in rural Pennsylvania.

Policy considerations

- Establish an information clearinghouse for housing authorities that includes state and federal funding information, best practices and other initiatives.
- Reduce the paperwork burden for funding and program participation.
- Increase emphasis on enforcing fair housing laws to ensure adequate quality housing for the growing rural minority population.
- Increase funding for the establishment and expansion of transitional rural homeless shelters; rehabilitation and new construction; infrastructure development to lower the cost of land for construction of affordable housing; and public transportation in rural areas so more people can get to higher paying jobs and afford quality housing without public cost.
- Begin an interstate dialogue about the provision of affordable housing in border regions.
- Produce a collaborative, comprehensive statewide housing plan involving state agencies and local rural housing agencies.

¹ Area Median Income refers to annual estimates of median household income from the Department of Housing and Urban Development (HUD). An area is a metropolitan statistical area (MSA) or a county if outside an MSA.

² NIMBY: Not in My Backyard

Introduction

Housing is an important issue in America, since it is a major source of wealth creation; about 68 percent of American householders own their homes. As of 1998, about half of the average homeowner's net worth was in home equity. Housing is the single largest expenditure in the budgets of most individuals and families. And the housing industry contributes more than one-fifth of the nation's gross domestic product. Furthermore, the congressionally appointed Millennial Housing Commission reported in 2000 that decent affordable housing has a documented impact on family stability and the life outcomes of children.

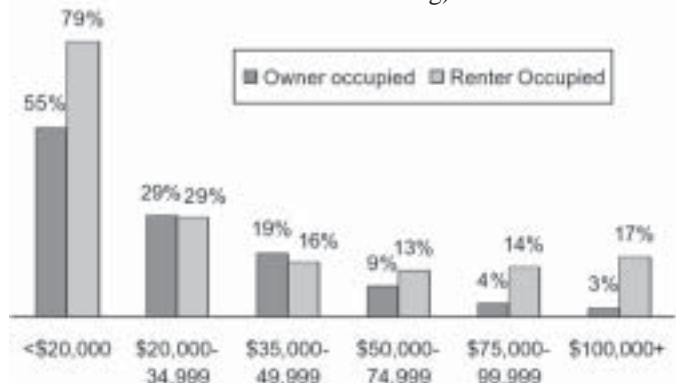
The Millennial report also shows the typical family devotes approximately one quarter of income to housing, whereas poor families devote about half their income to housing. Indeed, in 1999, a quarter of American households spent more than 30 percent of income on housing, the metric the federal government uses to determine affordability. Thus, housing affordability is also important. Additionally, according to an April 2004 survey by the National Association of Realtors, 47 percent of Americans believe that the lack of affordable housing is a big problem in the United States, outvoted only by affordable health care and job layoff.

The importance of the housing sector in rural Pennsylvania mirrors the housing industry's role nationwide both in terms of economic contribution and its impact on quality of life issues. For this reason, the Center for Rural Pennsylvania funded this research project conducted in 2004.

According to the widely accepted definition of affordable housing, many rural Pennsylvanians cannot afford decent housing, resulting in a large percentage of households, especially renters, paying more than 30 percent of their income for housing costs. Some wealthier households pay this much by choice, but in households with incomes under \$20,000, this can be a major problem.

The lack of decent affordable housing in rural Pennsylvania, as highlighted in this report, is due to several factors,

Housing Costs Burden in Rural Pennsylvania
(households by income level paying more than 30% of income for housing)



Source: U.S. Census Bureau, Census 2000

but four emerge as major obstacles: high though declining poverty rates, low and declining levels of federal funding for affordable housing, limited availability of credit, and poor though improving quality of housing. In addition to these factors, several others, ranging from zoning and land use, migration, aging population, and lack of rehabilitation, or rehab, funding, also contribute to the shortage.

To provide further insight into the affordable housing shortages across rural Pennsylvania, this study statistically estimates the demand and supply of housing in each county. This will allow policy makers to pinpoint the areas with shortages and to devise policies and programs to address the need. In addition, the study undertook telephone interviews of housing agencies and authorities in each rural county. The outcomes of these interviews provide valuable qualitative data to augment the statistical analysis and gain further insight into affordable housing conditions. Finally, the study included a detailed case study of six rural counties to highlight important regional issues that impact the affordability of housing supply and demand.

Housing Trends in Rural Pennsylvania

Housing trends are an important backdrop to the later analysis of the demand and supply of affordable housing. Rural Pennsylvania is diverse in terms of demographic and socio-economic factors. The following trend analysis examines rural Pennsylvania as a whole and according to Pennsylvania Department of Community and Economic Development (DCED) regions. (See map on Page 6) The southeast is not discussed in this report, as it has no rural counties.

The shortage of affordable housing in rural Pennsylvania remains and has

worsened in spite of the fact that all regions in rural Pennsylvania saw an increase in median income between 1990 and 2000.

Demographic overview

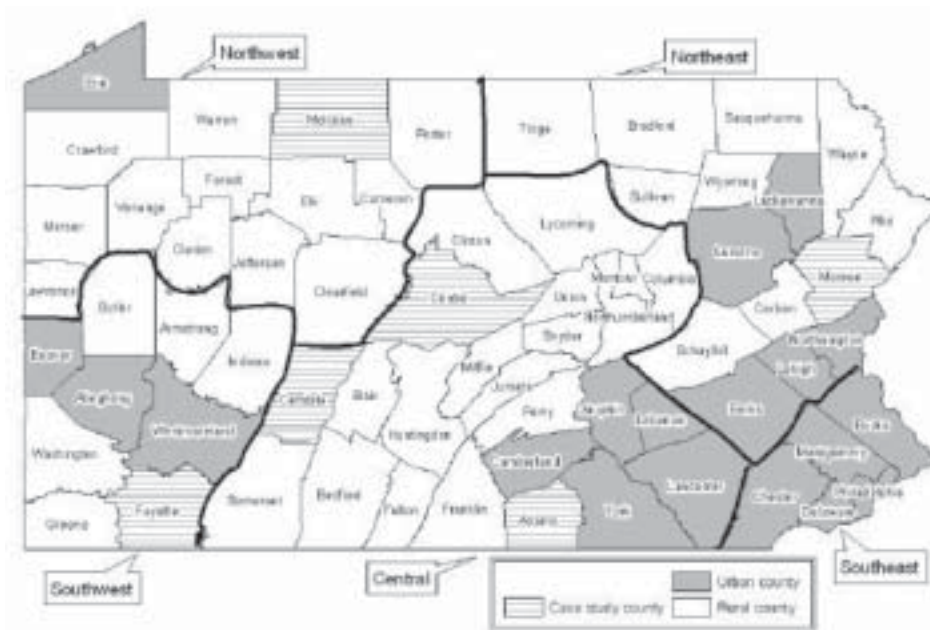
From 1990 to 2000, Pennsylvania's population grew by 3.4 percent, while rural Pennsylvania saw a growth of 4.3 percent. From 1980 to 1990, rural Pennsylvania grew by 4.1 percent.

Although all regions experienced growth in their rural counties, the northeast grew by 13.3 percent. That's more than three times the rate of rural

Pennsylvania as a whole and is due, in large part, to an influx from the New York City area. The central and southwest experienced population growth on par with the state as a whole, while growth in the northwest was slower at 0.7 percent.

In the 1980s and 1990s, rural Pennsylvania saw a dramatic shift in the makeup of households, mainly an increase of single-person households and in households with elderly members. These two types of households tend to have lower levels of income than married couple families.

Regions and Case Study Counties



Economic overview

Household Income

The median household income in rural Pennsylvania grew significantly from 1989 to 1999. Although the rural northwest experienced the fastest growth of the five regions at more than 12 percent, the median income for the region was the lowest in both 1989 and 1999. (See table below.) In contrast, the northeast and central regions had the highest median incomes in rural Pennsylvania and grew slowest.

Poverty

Interestingly, rural Pennsylvania experienced a decrease in poverty of 6 percent or 24,998 people from 1989 to 1999 while there was a small increase statewide. This is a significant change from the 1979 to 1989 period that saw a 12 percent increase in rural poverty. (See table on Page 7)

Changes in poverty by region vary quite a bit. Western rural Pennsylvania experienced about a 12 percent reduc-

Change in Average Median Household Income*, 1989-1999 (2000 Dollars)

Rural Counties by Region	Avg Median Household Income, 1999	Change
Northwest	\$33,352	12.3%
Southwest	\$33,826	10.8%
Central	\$35,760	9.4%
Northeast	\$36,631	9.4%

Source: U.S. Census Bureau. Dollar figures have been adjusted for inflation. * Regional median household income represents the average value of the rural counties in the region.

tion in persons in poverty; however, the northeast experienced an increase of 7.6 percent.

Housing Stock Overview

Homeownership

In Pennsylvania and in its rural counties, the majority of housing units are owner occupied homes. Rural Pennsylvania has a higher rate of vacant housing than the state by five percentage points or 9 percent versus 14 percent. This is explained, in part, by the fact that seasonal use units account for 57 percent of vacant units in rural Pennsylvania. (See table on Page 7)

Housing Type

Rural Pennsylvania has increased its stock of single-family detached homes by 106,683 units in 10 years.

After single-family detached houses, mobile homes make up the largest percentage of the housing stock in rural Pennsylvania. Mobile homes make up less than 5 percent of the housing stock state-wide, but they comprise more than 10 percent of rural housing. The high rate of mobile homes is a trend that began around 1980 and has been attributed to the lack of affordable housing in rural Pennsylvania (Center for Rural Pennsylvania, 1994). (See table on Page 7)

Housing Values

The median value of owner-occupied housing units increased throughout rural Pennsylvania between 1990 and 2000. The southwest experienced the greatest increase in the median value of owner-occupied housing with an increase of 23 percent. Although the northeast region saw a decline in the inflation-adjusted value, the most expensive rural housing is in this region. (See table on Page 7)

Housing Affordability

This study found that housing affordability is a problem throughout rural Pennsylvania. This finding builds on similar findings from the Center for Rural Pennsylvania report of 1994 assessing housing in the decade of the 1980s.

Housing Costs for Homeowners³

In 2000, 57 percent of owner-occupied housing units in rural counties had a mortgage, contract to purchase, or similar debt.

³ Housing costs for owners are the sum of payments for mortgages, deeds of trust, contracts to purchase, or similar debts on the property; real estate taxes; fire, hazard, and flood insurance on the property; utilities; and fuels. They also include monthly condominium fees or mobile home costs.

Changes in Poverty, 1989 – 1999

Rural County Regions	Persons in Poverty, 1989	Poverty Rate, 1989	Persons in Poverty, 1999	Poverty Rate, 1999	Change in Persons in Poverty
Northwest	91,008	7.1%	80,043	6.1%	-12.0%
Southwest	102,841	8.0%	90,214	6.9%	-12.3%
Central	154,471	12.0%	148,766	11.4%	-3.7%
Northeast	56,870	4.4%	61,169	4.7%	7.6%
Rural Pennsylvania total	405,190		380,192		-6.2%
Pennsylvania total	1,283,629		1,304,117		1.6%

Source: U.S. Census Bureau

Comparisons of Housing Unit Occupancy Status

Occupancy Status	Rural, 1990	Percent	Rural, 2000	Percent	PA, 2000	Percent
Total Housing Units	1,433,375		1,537,314		5,249,750	
Vacant	214,989	15%	220,413	14%	472,747	9%
Owner-Occupied	908,657	63%	993,456	65%	3,406,167	65%
Renter-Occupied	309,729	22%	323,445	21%	1,370,836	26%

Source: U.S. Census Bureau

Comparisons of Housing Unit Type

Type of Unit	Rural, 1990	Percent	Rural, 2000	Percent	PA, 2000	Percent
Single-family detached	967,605	68%	1,074,288	70%	2,935,248	56%
Single-family attached	87,415	6%	89,185	6%	940,396	18%
2 unit buildings	63,056	4%	63,893	4%	273,798	5%
3 or 4 unit buildings	47,156	3%	51,010	3%	241,745	5%
5+ unit buildings	81,723	6%	93,149	6%	595,314	11%
Mobile homes	157,386	11%	162,165	11%	258,551	5%

Source: U.S. Census Bureau

Median Value of Owner Occupied Units, 1990 – 2000 (2000 Dollars)

Regions	Average Median Value of Owner-Occupied Units, 1990	Average Median Value of Owner-Occupied Units, 2000	Change
Northwest	\$53,892	\$65,423	21.4%
Southwest	\$62,219	\$76,600	23.1%
Central	\$70,273	\$85,416	21.6%
Northeast	\$90,793	\$88,750	-2.3%
Rural Pennsylvania total	\$69,105	\$79,594	15.2%

Source: U.S. Census Bureau. *Regional median value represents the average value of the rural counties in the region. Dollar figures have been adjusted for inflation.

From 1990 to 2000, housing costs in owner-occupied units in rural Pennsylvania increased. However, for all regions except the southwest, household income did not rise as much as housing costs for homeowners. This is especially noticeable in the central and northeast regions. Household income in these counties rose about 9 percent while housing costs rose 19 percent. This increase in housing costs in excess of increases in household income has aggravated the problem of housing affordability. (See table on Page 8)

Housing Costs for Renters⁴

Changes in rental costs in rural Pennsylvania present a different picture. Rural counties in each region have experienced less than a 6 percent increase in gross rent.

For many rural Pennsylvanians, it is more affordable to rent than to become homeowners, as renting remains cheaper than homeownership with a mortgage. However, once the mortgage is paid off, homeownership becomes significantly cheaper than renting. (See table on Page 8)

Housing Quality

The only measures of housing quality available from the decennial Census are units lacking plumbing and kitchen facilities. Although initially not significant in number, both of these conditions decreased in rural Pennsylvania from 1990 to 2000. Thus, the quality of housing in rural Pennsylvania, in terms of these two issues, has improved. In 2000, the rural counties of each region had less than 1 percent of units lacking each type of facility.

⁴ Housing costs for renters include rent and estimated utility costs.

Median Monthly Owner-Occupied Costs, 1990 - 2000 (2000 Dollars)

Region	Avg Median Costs, 1990	Avg Median Costs, 2000	Change
Northwest	\$641	\$721	13%
Southwest	\$724	\$757	5%
Central	\$664	\$788	19%
Northeast	\$717	\$852	19%

Source: U.S. Census Bureau. *Regional median cost represents the average value of the counties in the region. Dollar figures have been adjusted for inflation.

Renter-Occupied Costs per Month, 1990 - 2000 (2000 Dollars)

Region	Avg Median Costs, 1990	Avg Median Costs, 2000	Change
Northwest	\$386	\$401	4%
Southwest	\$396	\$409	3%
Central	\$389	\$411	6%
Northeast	\$439	\$442	1%

Source: U.S. Census Bureau. *Regional median cost represents the average value of the counties in the region. Dollar figures have been adjusted for inflation.

Supply and Demand Analysis: A Quantitative Assessment

Methodology

As in similar studies of affordable housing, the supply and demand analysis is performed in three stages. First to compute demand, the number of low-income residents by rural county are assessed using census data. Second, the current stock of publicly assisted housing available through local housing authorities was gathered directly from the authorities and from the Pennsylvania Housing Finance Agency (PHFA) when local authorities did not provide the information. Finally, the difference between supply and demand for renter-occupied housing units is computed using supply and demand estimates from the U.S. Department of Housing and Urban Development (HUD).

Defining Income Limits

To ascertain the eligibility of households for housing subsidies, most affordable housing programs use HUD income limits that are established by household size. The analyses in this report employ these limits, but with simplified terminology. Since two of HUD's household income affordability categories⁵ are subsets of the others, the following terms are used in this report.

Low-income - (same as HUD's definition) the sum of all households with incomes at or below 80 percent

of the Area Median Income (AMI), which refers to annual estimates of median household income from HUD. This includes all three groups below.

Moderately low-income - income between 50 and 80 percent of AMI.

Very low-income - income between 30 and 50 percent of AMI.

Extremely low-income - (same as HUD) income at or below 30 percent of AMI.

Defining Affordable Housing

Affordable rental housing is defined by HUD and others as housing units for which households pay no more than 30 percent of their income on rent. So, the maximum affordable rent for a low-income family of four equals 80 percent of the estimated monthly area median income for a family of four multiplied by the affordability threshold (30 percent of monthly income). For example, low-income (80 percent of the area median) for a four-person family in 2000 in Adams County was \$46,630 (appx.) $\times 0.80 = \$37,300$. The maximum affordable rent for this family is $\$37,300/12 \times 0.30 = \933 .

Homeownership is considered to be affordable when the value of the home does not exceed 2.5 times annual household income. Thus the maximum affordable housing value for a low-income family of four in Adams County would be $\$37,300 \times 2.5 = \$93,250$. (See table on Page 9)

Data sources

The starting point for quantifying rural Pennsylvania's affordable housing supply was HUD's Comprehensive Housing Affordability Strategy (CHAS) data, a special tabulation of Census 2000 housing data. CHAS data provides the total number of rental housing units affordable to households at the various levels of low-income. This report computes renter-occupied units only because owner-occupied housing data are not available for very-low income households. CHAS data can also be used to determine the number of housing units at various affordability levels that have the following quality issues: lack of complete plumbing facilities, lack of complete kitchen facilities, crowded, or rent burdened. However, this is limited housing quality information.

Traditional affordable housing

Rural and Urban Housing Quality in the United States

	Adequate	Moderately Inadequate	Severely Inadequate
Rural	94.6%	3.8%	1.5%
Urban	93.3%	4.4%	2.2%
Total United States	93.7%	4.3%	2.0%

Source: 2001 American Housing Survey

Quality of U.S. Rural Rental Units by Income Level

Income Level	Percent Inadequate
$\leq 30\%$ AMI	16%
30-50% AMI	8%
50-80% AMI	7%
$\leq 80\%$ AMI	10%

Source: 2001 American Housing Survey

⁵ HUD's categories are: **Low-income households** - incomes at or below 80 percent of area median family income (AMI), **Very low-income households** - incomes at or below 50 percent of AMI, and **Extremely low-income households** - incomes at or below 30 percent of AMI.

Affordable Housing for a Family of Four in Pennsylvania Counties by HUD Income Limit Category, 2000

County	Approximate median income	HUD Income Limits			Maximum Affordable Monthly Rent			Maximum Affordable House Value		
		Extremely low-income	Very low-income	Low-income	Extremely low-income	Very low-income	Low-income	Extremely low-income	Very low-income	Low-income
Adams	\$46,630	\$14,000	\$23,300	\$37,300	\$350	\$583	\$933	\$36,000	\$58,250	\$93,250
Allegheny	\$44,630	\$13,400	\$22,300	\$35,700	\$335	\$558	\$893	\$33,500	\$55,750	\$89,250
Armstrong	\$38,185	\$11,450	\$19,100	\$30,550	\$286	\$478	\$764	\$28,625	\$47,750	\$76,375
Beaver	\$44,630	\$13,400	\$22,300	\$35,700	\$335	\$558	\$893	\$33,500	\$55,750	\$89,250
Bedford	\$38,185	\$11,450	\$19,100	\$30,550	\$286	\$478	\$764	\$28,625	\$47,750	\$76,375
Berks	\$50,185	\$15,050	\$25,100	\$40,150	\$376	\$628	\$1,004	\$37,625	\$62,750	\$100,375
Blair	\$38,315	\$11,500	\$19,150	\$30,650	\$286	\$479	\$766	\$28,750	\$47,875	\$76,625
Bradford	\$38,185	\$11,450	\$19,100	\$30,550	\$286	\$478	\$764	\$28,625	\$47,750	\$76,375
Bucks	\$57,815	\$17,350	\$28,900	\$46,250	\$434	\$723	\$1,196	\$43,375	\$72,250	\$115,625
Butler	\$44,630	\$13,400	\$22,300	\$35,700	\$335	\$558	\$893	\$33,500	\$55,750	\$89,250
Cambria	\$38,185	\$11,450	\$19,100	\$30,550	\$286	\$478	\$764	\$28,625	\$47,750	\$76,375
Cameron	\$38,185	\$11,450	\$19,100	\$30,550	\$286	\$478	\$764	\$28,625	\$47,750	\$76,375
Carbon	\$51,000	\$15,300	\$25,500	\$40,800	\$383	\$638	\$1,030	\$38,250	\$63,750	\$102,000
Centre	\$44,185	\$13,250	\$22,100	\$35,350	\$331	\$553	\$884	\$33,125	\$55,250	\$88,375
Chester	\$57,815	\$17,350	\$28,900	\$46,250	\$434	\$723	\$1,196	\$43,375	\$72,250	\$115,625
Clarion	\$38,185	\$11,450	\$19,100	\$30,550	\$286	\$478	\$764	\$28,625	\$47,750	\$76,375
Clearfield	\$38,185	\$11,450	\$19,100	\$30,550	\$286	\$478	\$764	\$28,625	\$47,750	\$76,375
Clinton	\$38,185	\$11,450	\$19,100	\$30,550	\$286	\$478	\$764	\$28,625	\$47,750	\$76,375
Columbia	\$42,185	\$12,650	\$21,100	\$33,750	\$316	\$528	\$844	\$31,625	\$52,750	\$84,375
Crawford	\$38,185	\$11,450	\$19,100	\$30,550	\$286	\$478	\$764	\$28,625	\$47,750	\$76,375
Cumberland	\$50,315	\$15,100	\$25,150	\$40,250	\$378	\$629	\$1,006	\$37,750	\$62,875	\$100,625
Dauphin	\$50,315	\$15,100	\$25,150	\$40,250	\$378	\$629	\$1,006	\$37,750	\$62,875	\$100,625
Delaware	\$57,815	\$17,350	\$28,900	\$46,250	\$434	\$723	\$1,196	\$43,375	\$72,250	\$115,625
Elk	\$40,370	\$12,100	\$20,200	\$32,300	\$303	\$505	\$828	\$30,250	\$50,500	\$80,750
Elle	\$41,685	\$12,500	\$20,650	\$33,350	\$313	\$521	\$834	\$31,250	\$52,125	\$83,375
Fayette	\$44,630	\$13,400	\$22,300	\$35,700	\$335	\$558	\$893	\$33,500	\$55,750	\$89,250
Forest	\$38,185	\$11,450	\$19,100	\$30,550	\$286	\$478	\$764	\$28,625	\$47,750	\$76,375
Franklin	\$42,000	\$12,600	\$21,000	\$33,600	\$315	\$525	\$840	\$31,500	\$52,500	\$84,000
Fulton	\$38,500	\$11,650	\$19,750	\$31,800	\$296	\$494	\$790	\$29,625	\$49,375	\$79,000
Greene	\$38,185	\$11,450	\$19,100	\$30,550	\$286	\$478	\$764	\$28,625	\$47,750	\$76,375
Huntingdon	\$38,000	\$11,700	\$19,600	\$31,200	\$293	\$488	\$780	\$29,250	\$48,750	\$78,000
Indiana	\$38,185	\$11,450	\$19,100	\$30,550	\$286	\$478	\$764	\$28,625	\$47,750	\$76,375
Jefferson	\$38,185	\$11,450	\$19,100	\$30,550	\$286	\$478	\$764	\$28,625	\$47,750	\$76,375
Juniata	\$40,185	\$12,050	\$20,100	\$32,150	\$301	\$503	\$804	\$30,125	\$50,250	\$80,375
Lackawanna	\$42,185	\$12,650	\$21,100	\$33,750	\$316	\$528	\$844	\$31,625	\$52,750	\$84,375
Lancaster	\$48,500	\$14,650	\$24,750	\$39,600	\$371	\$619	\$990	\$37,125	\$61,875	\$99,000
Lawrence	\$38,185	\$11,450	\$19,100	\$30,550	\$286	\$478	\$764	\$28,625	\$47,750	\$76,375
Lebanon	\$50,315	\$15,100	\$25,150	\$40,250	\$378	\$629	\$1,006	\$37,750	\$62,875	\$100,625
Lehigh	\$51,000	\$15,300	\$25,500	\$40,800	\$383	\$638	\$1,030	\$38,250	\$63,750	\$102,000
Luzerne	\$42,185	\$12,650	\$21,100	\$33,750	\$316	\$528	\$844	\$31,625	\$52,750	\$84,375
Lycoming	\$38,370	\$11,500	\$19,200	\$30,700	\$286	\$480	\$768	\$28,750	\$48,000	\$76,750
Mc Kean	\$38,815	\$11,650	\$19,400	\$31,050	\$291	\$485	\$776	\$29,125	\$48,600	\$77,625
Mercer	\$38,185	\$11,450	\$19,100	\$30,550	\$286	\$478	\$764	\$28,625	\$47,750	\$76,375
Millis	\$38,185	\$11,450	\$19,100	\$30,550	\$286	\$478	\$764	\$28,625	\$47,750	\$76,375
Monroe	\$47,370	\$14,200	\$23,700	\$37,600	\$355	\$593	\$948	\$35,500	\$59,250	\$94,750
Montgomery	\$57,815	\$17,350	\$28,900	\$46,250	\$434	\$723	\$1,196	\$43,375	\$72,250	\$115,625
Montour	\$43,500	\$13,050	\$21,750	\$34,800	\$326	\$544	\$870	\$32,625	\$54,375	\$87,000
Northampton	\$51,000	\$15,300	\$25,500	\$40,800	\$383	\$638	\$1,030	\$38,250	\$63,750	\$102,000
Northumberland	\$38,185	\$11,450	\$19,100	\$30,550	\$286	\$478	\$764	\$28,625	\$47,750	\$76,375
Perry	\$50,315	\$15,100	\$25,150	\$40,250	\$378	\$629	\$1,006	\$37,750	\$62,875	\$100,625
Philadelphia	\$57,815	\$17,350	\$28,900	\$46,250	\$434	\$723	\$1,196	\$43,375	\$72,250	\$115,625
Pike	\$54,370	\$16,300	\$27,200	\$43,500	\$408	\$680	\$1,088	\$40,750	\$68,000	\$108,750
Potter	\$38,185	\$11,450	\$19,100	\$30,550	\$286	\$478	\$764	\$28,625	\$47,750	\$76,375
Schuylkill	\$40,000	\$12,000	\$20,000	\$32,000	\$300	\$500	\$800	\$30,000	\$50,000	\$80,000
Snyder	\$40,815	\$12,250	\$20,400	\$32,600	\$306	\$510	\$816	\$30,625	\$51,000	\$81,625
Somerset	\$38,185	\$11,450	\$19,100	\$30,550	\$286	\$478	\$764	\$28,625	\$47,750	\$76,375
Sullivan	\$38,185	\$11,450	\$19,100	\$30,550	\$286	\$478	\$764	\$28,625	\$47,750	\$76,375
Susquehanna	\$38,185	\$11,450	\$19,100	\$30,550	\$286	\$478	\$764	\$28,625	\$47,750	\$76,375
Tioga	\$38,185	\$11,450	\$19,100	\$30,550	\$286	\$478	\$764	\$28,625	\$47,750	\$76,375
Union	\$43,685	\$13,100	\$21,850	\$34,950	\$328	\$548	\$874	\$32,750	\$54,625	\$87,375
Verango	\$38,185	\$11,450	\$19,100	\$30,550	\$286	\$478	\$764	\$28,625	\$47,750	\$76,375
Warren	\$41,185	\$12,350	\$20,600	\$32,950	\$309	\$515	\$824	\$30,875	\$51,500	\$82,375
Washington	\$44,630	\$13,400	\$22,300	\$35,700	\$335	\$558	\$893	\$33,500	\$55,750	\$89,250
Wayne	\$38,185	\$11,450	\$19,100	\$30,550	\$286	\$478	\$764	\$28,625	\$47,750	\$76,375
Westmoreland	\$44,630	\$13,400	\$22,300	\$35,700	\$335	\$558	\$893	\$33,500	\$55,750	\$89,250
Wyoming	\$42,185	\$12,650	\$21,100	\$33,750	\$316	\$528	\$844	\$31,625	\$52,750	\$84,375
York	\$40,870	\$14,950	\$24,950	\$39,900	\$374	\$624	\$998	\$37,375	\$62,375	\$99,750

Source: Department of Housing and Urban Development (HUD). Extremely low is < 30% AMI, very low is < 50% AMI, low is < 80% AMI. The three categories are not mutually exclusive. Shaded counties are urban.

studies use the American Housing Survey (AHS) for data on housing quality. This study uses AHS data for 2001, from which several housing quality variables can be combined to create degrees of housing adequacy: adequate, moderately inadequate, or seriously inadequate. Measures extend beyond plumbing and kitchen facilities to include leaks, heating, rats, peeling paint, and other housing unit upkeep descriptors.

AHS data is released locally by metropolitan statistical area (MSA), so figures cannot be calculated for rural Pennsylvania. National data, however, is available for Census defined rural and urban areas. As this is the only rural/urban data available, this national delineation is used as a proxy for what rural Pennsylvania likely looks like. Using national estimates, the study team made conservative reductions in the estimated affordable housing supply in many areas. Therefore, the actual supply of affordable decent housing for low-income households is likely smaller than estimated in this report. (See table on Page 8)

Although overall, about 5 percent of rural units are inadequate, units affordable to low income families are less adequate. For example, extremely low-income households lose an estimated 16 percent of units due to inadequate quality, whereas moderately low-income households lose 7 percent based on quality. (See table on Page 8)

To account for housing quality in the total supply of affordable units, CHAS estimates were adjusted by subtracting inadequate units, based on American Housing Survey percentages, from the

Affordable Rental Housing Supply and Demand in Rural Pennsylvania, 2000 Estimates

Income Level	Supply	Demand	Surplus
≤30% AMI	76,565	76,497	68
30-50% AMI	126,578	65,785	60,793
50-80% AMI	77,820	73,033	4,787
<80% AMI	280,963	215,315	65,648

Source: HUD, 2000 CHAS, AHS

final count. Because the distribution of inadequate housing units differs by affordability level, counts were adjusted separately at each level.

Results

The affordable housing supply and demand estimates present the number of low-income households and the number of rental units affordable to households within specific income ranges. As seen in the table, there is an estimated surplus of affordable housing for low-income households in rural Pennsylvania overall, but this surplus differs by low-income classification and by region and county. (See table above)

Affordable housing policies and strategies, as well as private market responses to demand, have resulted in a surplus of nearly two affordable rental housing units for each very low-income household. Moderately low-income households do not fare as well, but generally have sufficient affordable housing units, whereas extremely low-income households face the largest constraints on affordable housing supply. Only 68 additional households could afford housing given the current supply. Since estimates use conservative adjustments for housing quality, the actual supply of affordable housing for extremely low-income households is likely much lower.

Analyses in the qualitative section of this report demonstrate other factors that hamper affordable housing availability. (See table below)

As was the case statewide, all regions have a sizable affordable housing surplus for very low-income households with approximately two rental units for each household. The southwest is the only region with a shortage of affordable housing units for moderately low-income households with a deficit of about 1,500 units, although units are tight in the northwest as well. Extremely low-income households are facing a shortage of affordable rental units in southwest and central Pennsylvania.

County-level analyses reveal that some rural Pennsylvania

Affordable Rental Housing Supply and Demand in Rural Pennsylvania by County, 2000 Estimates

County	Total low income (< 80% AMI)			< 30% AMI		30%-50% AMI		50%-80% AMI	
	Supply	Demand	Surplus/deficit	Supply	Surplus/deficit	Supply	Surplus/deficit	Supply	Surplus/deficit
Rural PA total	280,964	215,315	65,649	76,562	65	126,580	60,795	77,822	4,789
Adams	6,962	4,562	2,400	1,200	-49	3,363	2,064	2,399	365
Armstrong	5,823	4,393	1,430	1,651	296	2,810	1,411	1,362	-277
Bedford	3,472	2,516	956	1,155	336	1,627	898	790	-278
Blair	12,082	9,258	2,824	2,948	-577	5,382	2,434	3,782	977
Bradford	5,290	3,699	1,591	1,448	251	2,466	1,362	1,376	-22
Butler	12,108	9,090	3,018	2,696	-409	5,459	2,799	3,943	656
Cambria	13,440	10,483	2,957	4,574	790	6,504	3,159	2,382	-902
Cameron	542	381	161	175	60	266	141	101	-40
Carbon	4,603	3,804	799	1,331	-149	2,571	1,527	701	-579
Centre	15,910	14,060	1,850	2,396	-3,292	6,696	1,366	7,817	3,757
Clarion	3,884	3,101	783	1,259	-44	1,803	863	822	-56
Clearfield	5,962	4,702	1,260	2,050	402	2,806	1,316	1,106	-458
Clinch	3,471	2,687	784	1,045	-74	1,408	583	1,018	75
Columbia	6,055	4,510	1,545	1,296	-322	2,995	1,625	1,762	242
Crawford	7,419	5,585	1,834	1,973	138	3,358	1,653	2,088	43
Elk	2,544	1,957	587	801	274	1,406	765	335	-452
Fayette	14,129	12,563	1,566	6,023	149	6,711	3,427	1,395	-2,010
Forest	301	270	31	156	74	108	18	37	-61
Franklin	11,601	7,593	4,008	2,646	386	5,686	3,602	3,269	20
Fulton	1,043	711	332	380	130	501	293	162	-91
Greene	3,406	2,840	566	1,393	305	1,371	478	642	-217
Huntingdon	3,290	2,330	960	1,196	398	1,495	785	605	-218
Indiana	8,189	6,674	1,515	2,204	-606	3,386	1,172	2,999	749
Jefferson	3,676	2,985	691	1,264	229	1,710	751	603	-289
Juniata	1,677	1,097	580	609	312	772	445	296	-177
Lawrence	7,277	5,933	1,344	2,200	46	2,705	780	2,372	518
Lycoming	12,497	9,085	3,412	2,276	-534	5,092	2,327	5,129	1,619
McKean	3,943	3,016	927	1,011	-17	1,960	936	972	8
Mercer	9,648	7,010	2,638	2,431	21	3,418	1,353	3,799	1,264
Mifflin	4,213	3,313	900	1,125	-114	2,276	1,282	612	-268
Monroe	9,228	6,434	2,794	1,344	-861	2,829	975	6,055	2,680
Montour	1,654	1,002	652	352	67	754	418	548	79
Northumberland	9,024	6,626	2,398	2,645	482	4,361	2,047	2,018	-331
Perry	3,004	2,179	825	861	219	1,626	909	515	-303
Pike	2,337	1,854	483	413	-171	841	301	1,083	363
Potter	1,362	1,011	351	360	31	652	297	300	83
Schuylkill	11,795	8,698	3,097	3,742	692	5,681	2,752	2,372	-548
Snyder	2,801	1,906	895	755	196	1,214	591	832	108
Somerset	5,960	4,766	1,194	2,020	467	3,169	1,636	771	-609
Sullivan	453	332	121	186	86	213	107	54	-72
Susquehanna	2,968	2,188	780	840	187	1,320	588	628	65
Tioga	3,340	2,630	710	978	64	1,385	557	977	89
Union	2,965	2,343	622	704	-120	1,523	904	678	-162
Venango	4,756	3,632	1,124	1,462	118	2,452	1,308	842	-302
Warren	3,369	2,418	951	623	179	1,790	1,025	777	-223
Washington	16,259	12,790	3,469	4,859	-235	7,826	4,137	3,474	-441
Wayne	3,114	2,229	885	764	51	975	241	1,375	593
Wyoming	2,022	1,381	641	487	23	828	390	707	228

Source: HUD, 2000 CHAS, AHS

nia counties face a severe shortage of affordable housing for certain low-income groups. Centre County has a deficit of more than 3,000 units for extremely low-income households. Monroe, Indiana, Blair, and Lycoming counties follow with shortages of more than 500 units each. While all rural counties have an estimated sufficient number of affordable rental units for households with incomes be-

Affordable Rental Housing Supply and Demand in Rural Pennsylvania by Region, 2000 Estimates

Income Range	Northwest			Southwest			Central			Northeast		
	Supply	Demand	Surplus/deficit	Supply	Demand	Surplus/deficit	Supply	Demand	Surplus/deficit	Supply	Demand	Surplus/deficit
≤ 30 AMI	15,957	14,445	1,512	18,826	19,326	-500	30,248	31,546	-1,298	11,534	11,180	354
30-50% AMI	24,452	13,227	11,225	27,673	14,249	13,424	55,345	27,980	27,365	19,108	10,329	8,779
50-80% AMI	14,332	14,329	3	13,415	14,953	-1,538	35,545	32,011	3,534	14,528	11,740	2,788
<80% AMI	54,741	42,001	12,740	59,914	48,528	11,386	121,138	91,537	29,601	45,170	33,249	11,921

Source: HUD, 2000 CHAS, AHS

tween 30 to 50 percent of AMI, more than half have deficits for households between 50 and 80 percent of AMI. The largest shortage, over 2,000 units, is in Fayette County. Cambria and Somerset counties also have severe affordable housing shortages for this income range with deficits of nearly 1,000 affordable rental units. (See table on Page 10)

Affordable housing is provided through the public and

private market. Extremely low-income households face substantial difficulties in finding affordable housing units. To address this need, local housing authorities and private developers subsidize housing through public housing, project-based Section 8 housing units, or housing choice (Section 8) vouchers. The CHAS supply estimates above include both private and public housing.

Supply and Demand Analysis: The Qualitative Component

Estimates of affordable housing supply and demand do not adequately reflect the need for affordable housing because, while affordable housing units may exist, low-income households may not have access to these units. Limited access may result from higher income households occupying these units, called “renting down,” inadequate information about the units, lack of transportation to prime housing, insufficient numbers of units with enough bedrooms, or a myriad of other reasons. So, this research includes a qualitative component to ascertain the ability of low-income households to gain access to affordable housing units.

Methodology

Through phone interviews with rural housing providers and advocacy groups, the researchers gathered

information on the experiences of housing providers in developing, promoting, and filling affordable units, and of low-income households in securing affordable housing. Using preliminary contacts, additional contacts were made using a “snowball” sampling approach whereby the contacted organizations were asked if they knew of additional relevant housing or housing-related agencies. Through this approach, each housing provider in every rural county was contacted.

Results

The quantitative analysis confirms that some rural counties have adequate supply and demand, but there is inter- and intra-regional variability in affordable housing supply and demand issues. For example, the severe shortage of affordable housing in the

southwest shown in the qualitative assessment is confirmed. But stakeholders in the northeast all saw deficits in affordable housing, which the data above did not reflect. There were mixed opinions on supply and demand adequacy in the northwest and central regions.

All regions generally note an improvement of housing quality over time. Given the potential constraints on affordable housing, improved housing quality is an important policy concern.

Demographic shifts were felt differently in the various regions as well. More than half in the northeast recognized an impact from in-migration, which was a non-issue in the western regions. About three in 10 central region interviewees mentioned both in-migration and racial issues.

Case Studies

Statistical analyses alone do not adequately represent the affordable housing issues within a county. For instance, estimates of affordable housing supply and demand do not provide the basis for observed affordable housing distributions. To provide more qualitative information, site

visits were made to six rural counties identified by major stakeholders in the rural housing arena and representing each DCED region with rural counties⁶. Through on-site structured key informant interviews and telephone interviews, the researchers identified key issues facing each county that may improve or hinder the ability of low-

income households to obtain decent, affordable housing.

Case study participants included individuals from county housing authorities and other housing and human service providers, representatives of local government and planning agencies, and representatives from other local organizations who are

⁶ Stakeholders included the Pennsylvania Housing Finance Agency (PHFA), Pennsylvania Department of Community and Economic Development (DCED), Fannie Mae, Governor’s Housing Cabinet, Alliance for Better Housing, Housing Alliance of Pennsylvania, Pennsylvania Housing and Redevelopment Agencies (PAHRA), Pennsylvania House of Representatives, Pennsylvania Senate, Rural LIS, and Rural Opportunities Inc.

Reasons for Selection as a Case Study County

	Adams	Cambria	Centre	Fayette	McKean	Monroe
Growth pressure	X		X			X
Bedroom community for border state	X					X
Adequate affordable housing		X				
Inadequate affordable housing				X	X	X
Housing agency jurisdiction area		X			X	
Other issues			Penn State University (student housing)	High rate of poverty		Predatory lending

familiar with housing issues in their communities. A list of participant organizations appears in the appendix. Much of the information in the following case studies reflects perceptions gleaned from the interviews with these individuals.

Three case study counties, Monroe, Adams, and Centre, are located in the eastern half of the state and are characterized by population growth, rising land values, and greater pressure on housing authorities to provide affordable housing. The other three counties selected, McKean, Cambria, and Fayette, are in western Pennsylvania and are characterized by declining populations, economic stagnation, and a greater focus on the part of housing authorities to provide for elderly and low-income populations. These western counties are in greater need of rehab funding to improve the quality of an already existing affordable housing stock.

Adams County

Located in the south-central part of Pennsylvania and bordering Maryland, Adams County has experienced explosive population growth, mainly from in-migration of retirees from Maryland, commuters who work in Harrisburg and Washington, D.C., and telecommuters. In addition, the county has seen a significant increase in the Hispanic population, who are mainly migrant farm workers, factory workers, and landscapers. Case study participants feel that the influx of retirees and commuters from Maryland and Washington, D.C. is due to lower housing costs in Adams County but that this demand has substantially increased the value of property in both the rural areas of the county and in the borough of Gettysburg, with a negligible effect on other areas. This, in turn, has caused a severe shortage of quality affordable housing for long term residents of the county and the newer Hispanic population. The growing population has also led to the need for additional school financing, which has increased property taxes and, therefore, the cost of housing.

Respondents perceive that, as land and housing prices have risen, greater numbers of long-term residents are being priced out of the rental market, a reflection of the fact that Adams County, like other rural counties, is a low wage area.

Interviewees saw the quality of some housing in the county as poor, partly due to absentee landlords and only one code inspector. This poor quality was felt to be a greater concern for the Hispanic population who are reluctant to complain for fear of being evicted. High demand and poor quality housing are exacerbated by inadequate supply, though the housing agency is acting on this issue. They employ a full-time grant writer and rely on a housing consultant to scout for funds, both for construction and rehab.

Nevertheless, participants thought the ability to increase the supply of affordable housing could be greatly enhanced through changes in zoning laws that would allow for higher density residential housing, land banking for further development, and set asides for developers to build afford-

able housing units. In addition, a greater focus on financial counseling could help first-time homebuyers. Finally, economic growth as a result of a more diverse economy that creates better paying jobs would help solve the affordable housing crunch.

Adams County Housing Data

Adams County has a surplus of quality affordable housing but a deficit for extremely low-income households.

Quality Affordable Housing Supply and Demand Estimates for Adams County

Income level	Supply	Demand	Surplus/ deficit
≤ 30% AMI	1,200	1,249	-49
30-50% AMI	3,363	1,299	2,064
50-80% AMI	2,399	2,014	385
≤ 80% AMI	6,962	4,562	2,400

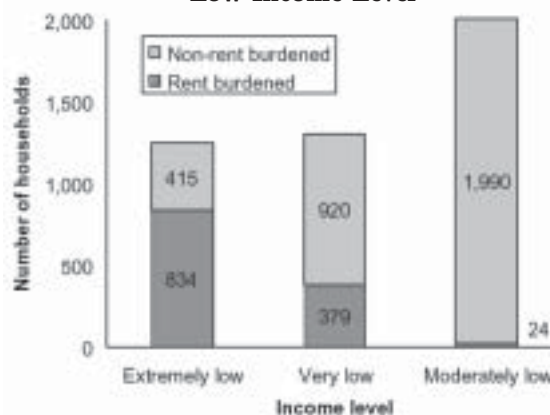
Source: HUD, 2000 CHAS, AHS

Rent Burden

Unable to find available affordable housing, many low-income households in Adams County occupy housing units above their affordability range. Overall, 1,237 low-income households (27 percent) are rent burdened. Very low- and extremely low-income households, those with incomes at or below 50 percent of the area median, comprise 98 percent of rent burdened low-income households.

Consistent with rural Pennsylvania in general, extremely low-income households have much higher percentages of rent-burdened households than other low-income households. Sixty-seven percent of extremely low-income households are rent burdened, as are 29 percent of very low-income households and 1 percent of moderately low-income households. Of the case study counties, Adams County has the largest rent burden disparity between extremely low-income and moderately low-income households.

Rent Burdened Households in Adams County by Low Income Level



Source: Census 2000

Income Distribution within Affordable Rental Units

Adams County has the highest proportion of housing units occupied by households renting down. Higher-income households occupy more than 70 percent of units affordable to extremely low-income households. Households that are not low-income at all occupy 30 percent of these units.

Meanwhile, 67 percent of rental units affordable to very low-income households are rented down as are 52 percent of units affordable to moderately low-income households.

Income of Affordable Rental Housing Occupants in Adams County by Affordability Level of the Units



Source: HUD, 2000 CHAS, AHS

Cambria County

Located in the central region, Cambria County has an aging, decreasing population and slow growth. There is not a shortage of affordable housing, but rather a shortage of affordable adequate housing for people of all ages.

To address this problem the county Redevelopment Authority has embarked on a set of affordable housing programs and policies that are different from those in other counties. For instance, as part of a housing rehabilitation program for homeowners with low/moderate incomes who live in the home they own, the authority provides assistance of up to \$15,000 to bring homes up to quality standards. The authority also acquires homes to rehabilitate and sell to low/moderate-income buyers. It had six such properties in 2004. There is a first time homebuyers' assistance program, funded by Community Development Block Grants (CDBG), the HOME program, and the Cambria County Affordable Housing Trust Fund, that provides mortgage deferrals to buyers of these homes. As permitted by Act 137 of 1992, a surcharge, which goes to the Trust Fund and is used for affordable housing programs, is assessed on every mortgage and deed. In addition, Cambria Community Development Corporation provides down-payment assistance of up to \$2,500 in the form of deferred mortgages for low/moderate-income first time homebuyers. The loan is forgiven if the homeowner stays in the property for five years.

Interviewees perceived that the quality of housing stock in Cambria County has improved significantly due to government funding of projects and a continuing rehabilitation effort that rehabs 36 to 42 houses a year; this is

provided through deferred mortgages similar to the assistance mentioned above. They noted that a significant amount of rehabilitation work is completed for elderly residents who have difficulties maintaining their properties and that, because the elderly residents live in their homes for a long time, the quality of their homes often deteriorates over time, resulting in a growing list of inadequate housing.

In addition, elderly householders may require handicap accessible units, many of which are being rehabilitated through funds obtained through federal and local programs.

Participants felt that zoning, land use, and building codes policies (Act 45 of 2002) have greatly helped in the provision of affordable, decent, safe, and sanitary housing.

To further develop affordable, adequate housing, efforts are underway to work with PHFA on the Home Buyer Counseling Initiative, which requires potential homebuyers to work with credit counselors to improve their ability to live in good quality, affordable housing.

Cambria County Housing Data

Cambria County has a surplus of quality affordable housing but a deficit for moderately low-income households.

Quality Affordable Housing Supply and Demand Estimates for Cambria County

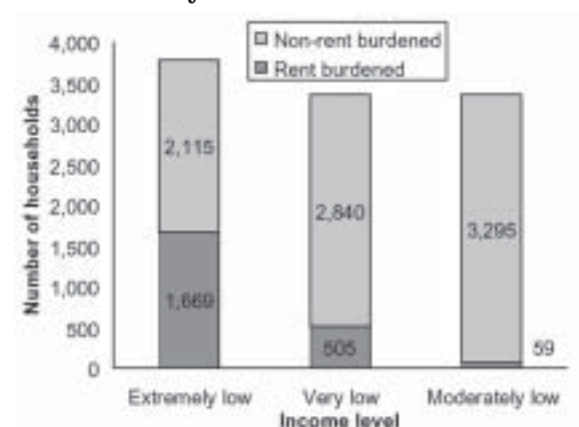
	Supply	Demand	Surplus/deficit
≤ 30% AMI	4,574	3,784	790
30-50% AMI	6,504	3,345	3,159
50-80% AMI	2,362	3,354	-992
≤ 80% AMI	13,440	10,483	2,957

Source: HUD, 2000 CHAS, AHS

Rent Burden

Unable to find available affordable housing, many low-income households in Cambria County occupy housing units above their affordability range. Overall, 2,233 low-income households (21 percent) are rent burdened. Very

Rent Burdened Households in Cambria County by Low Income Level



Source: Census 2000

low- and extremely low-income households, which are those with incomes at or below 50 percent of the area median, comprise 97 percent of rent burdened low-income households.

Consistent with rural Pennsylvania counties in general, Cambria County's extremely low-income households have much higher percentages of rent-burdened households than other low-income households. Forty-four percent of extremely low-income households are rent burdened, compared to 15 percent of very low-income and 2 percent of moderately low-income households.

Income Distribution within Affordable Rental Units

In Cambria County, households that are renting down occupy more than 61 percent of rental units affordable to extremely low-income households. Those who rent down are filling 59 percent of units affordable to very low-income households and 46 percent of units affordable to moderately low-income households.

Income of Affordable Rental Housing Occupants in Cambria County by Affordability Level of the Units



Source: HUD, 2000 CHAS, AHS

Centre County

Centre County is a fast growing county in terms of both population and income, driven primarily by Pennsylvania State University. Not surprisingly, this has led to a major housing construction boom, mainly on the part of private developers, with a focus to provide housing for students. As a result, non-students are impacted by the severe lack of affordable housing. The site visit discussion suggested the county has a number of substandard housing units in areas not in the State College area and a relatively large stock of mobile homes.

There is an effort through community action to develop housing programs to address the affordable housing problem in the county. Interviewees felt that these attempts are frustrated to some degree because of the lack of affordable land. Even where land is available, housing experts report a lack of infrastructure funding to develop the land. Further, substandard housing, which may be a result of the natural filtering process due to the construction of newer housing, is not being rehabbed, because of a lack of rehab funding.

County representatives expressed a wish for more Section

8 vouchers to place people in housing. In addition, concern was expressed that the federal government wants limits on the amount of time spent in Section 8 housing.

Housing experts in the county noted that housing quality standards are strictly enforced. However, code enforcement has led to rising construction costs. The lack of affordable housing is causing people to live outside the county, and the housing agencies are moving further away to find affordable land.

Participants felt that the county also needs transitional housing and housing assistance. Finally, they would like to see new initiatives for developing homes. Currently, tax credit financed construction helps those in the 50 to 60 percent of median income group, but there is little or no possibility of serving those with incomes below 40 percent of AMI.

Centre County Housing Data

Centre County has a surplus of quality affordable housing, but a sizable deficit for extremely low-income households.

Quality Affordable Housing Supply and Demand Estimates for Centre County

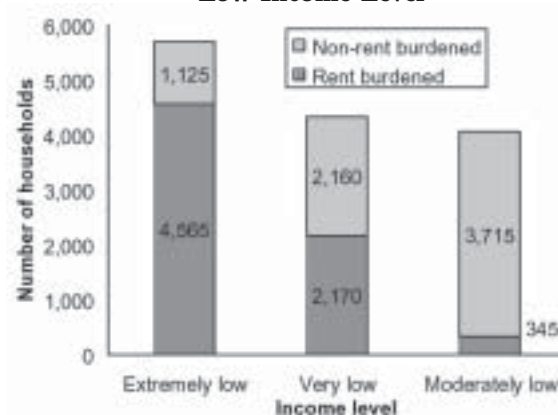
	Supply	Demand	Surplus/deficit
≤ 30% AMI	2,398	5,690	-3,292
30-50% AMI	5,695	4,330	1,365
50-80% AMI	7,817	4,060	3,757
≤ 80% AMI	15,910	14,080	1,830

Source: HUD, 2000 CHAS, AHS

Rent Burden

Unable to find available affordable housing, many low-income households in Centre County occupy housing units above their affordability range. Overall, 50 percent of low-income households are rent burdened. Centre County has the highest proportion of rent-burdened households among the case study counties. Very low- and extremely low-income households comprise 95 percent of rent burdened low-income households.

Rent Burdened Households in Centre County by Low Income Level



Source: Census 2000

Consistent with rural Pennsylvania counties in general, extremely low-income households have much higher percentages of rent-burdened households than other low-income households. Eighty percent of extremely low-income households are rent burdened, compared to 50 percent of very low-income households and 8 percent of moderately low-income households. Among the case study counties, Centre County has the highest proportion of rent-burdened households for all income ranges.

Income Distribution within Affordable Rental Units

Extremely low-income households in Centre County face considerable limits on available affordable rental housing. About 60 percent of households in housing units affordable to this group are rented down to others. Higher-income households occupy 48 percent of rental units affordable to very low-income households.

Though not as much as in the lowest income groups, renting down also affects moderately low-income households. Households with incomes over 80 percent of AMI occupy one third of rental units affordable to this group.

Income of Affordable Rental Housing Occupants in Centre County by Affordability Level of the Units



Source: HUD, 2000 CHAS, AHS

Fayette County

Located in Pennsylvania's southwest region, Fayette County, like many of the surrounding counties, is characterized by a stagnant economy, high unemployment, low-income growth, and a declining population. Against this background, it is not surprising that case study participants said the greatest need in Fayette County is affordable adequate housing that is up to code standards. By way of illustration, 1,400 people in the county were on the waiting list for rehabilitated housing in August 2004.

Participants expressed that existing sources of funding for rehab are inadequate and allow for the rehab of only 40 units per year. This figure could be 60 a year were it not for the prohibitive cost of removing lead based paint from many units. These units are both rental units and units for first time homebuyers, which increases the difficulty of using rehab funds because it requires the mixing and matching of funds. Respondents saw bank funding on rehab projects as limited since banks view the paperwork neces-

sary to satisfy the funding agencies as too onerous. They felt that, to a large extent, even the occupied housing stock is not of good quality, partly due to few code inspectors and little enforcement.

Fayette County interviewees saw another unique challenge in qualifying people to move into affordable housing units. Many residents work two to four minimum wage jobs to make ends meet, and many residents have poor credit histories making them ineligible for units. Credit counseling services, while available, have not worked smoothly. This problem is seen as being exacerbated by the red tape associated with funding agency paperwork to obtain a mortgage.

Zoning was not perceived to be problem because the county zoning laws, which apply universally except in Connellsville and Uniontown, enhance planning design and accessibility of housing units. However, respondents felt that centralized zoning has not helped to dissuade a growing "Not In My Backyard," or NIMBY, movement, especially in the construction of shelters for the homeless, a growing problem in the county.

In the final analysis, the housing agencies thought their task would be greatly enhanced if there were greater access to technical assistance and a central clearinghouse to connect to funding sources.

Fayette County Housing Data

Fayette County has a surplus of quality affordable housing, but a deficit for moderately low-income households.

Quality Affordable Housing Supply and Demand Estimates for Fayette County

	Supply	Demand	Surplus / deficit
≤ 30% AMI	6,023	5,874	149
30-50% AMI	6,711	3,284	3,427
50-80% AMI	1,395	3,405	-2,010
≤ 80% AMI	14,129	12,563	1,566

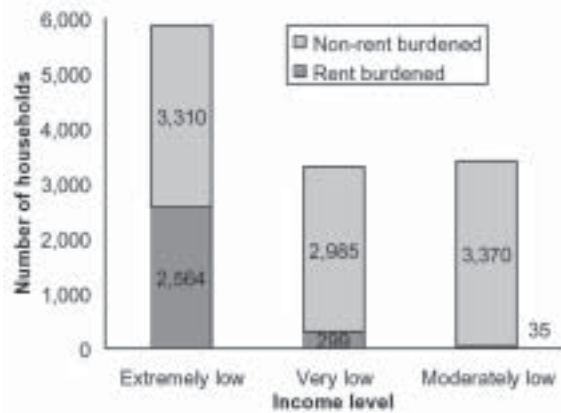
Source: HUD, 2000 CHAS, AHS

Rent Burden

Unable to find available affordable housing, many low-income households in Fayette County occupy housing units above their affordability range. Overall, 23 percent of low-income households are rent burdened. Very low- and extremely low-income households comprise 99 percent of rent burdened low-income households.

Consistent with rural Pennsylvania in general, extremely low-income households have much higher percentages of rent-burdened households than other low-income households. Forty-four percent of extremely low-income households are rent burdened, compared to 9 percent of very low-income households and 1 percent of moderately low-income households. Of the case study counties, Fayette County has the lowest percentage of rent-burdened households in the very low-income group.

Rent Burdened Households in Fayette County by Low Income Level



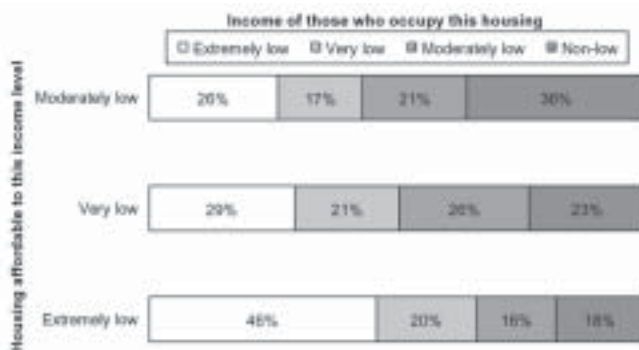
Source: Census 2000

Income Distribution within Affordable Rental Units

Fayette County has a considerable percentage of households renting down, but the extremely low-income households fare best here among the case study counties. Extremely low-income households occupy 46 percent of the rental units affordable to them. However, these households still face a shortage of available affordable rental units as 54 percent are occupied by households renting down.

Higher-income households occupy about 50 percent of rental units affordable to very low-income households and 36 percent of those affordable to moderately low-income households.

Income of Affordable Rental Housing Occupants in Fayette County by Affordability Level of the Units



Source: HUD, 2000 CHAS, AHS

McKean County

Located in northwestern Pennsylvania, McKean County is characterized by a stagnant population, which is getting progressively older as younger people leave the area.

The McKean County Housing Authority came into existence in 1972 to address housing shortfalls resulting from Hurricane Agnes. As of October 2004, the Housing Authority had 216 public housing units and 357 Section 8 vouchers. The city of Bradford had an additional 100 vouchers. The authority believes that the 50-person waiting list for Section 8 housing in October 2004 existed because landlords were unwilling to participate; they could set

higher rental fees if they were not in the Section 8 program. An additional perception is that, since utility bills are high, low-income housing tenants move frequently looking for units with lower utility bills. This creates the impression of a transient lifestyle and makes planning on the part of the authority more complicated.

Against this backdrop, the housing authority is trying to increase public housing units, especially handicap accessible homes for the elderly and have several that are currently occupied. Nevertheless, there is a significant need for additional funds for several reasons. First, HOME funding from DCED⁷ for new housing construction and rehabilitation is available directly only to government entities, although they may subcontract with non-profit organizations, such as housing authorities. Secondly, PHFA funding is focused more on densely populated areas. Lastly, private banks appear to be uninterested in smaller communities, such as those in McKean County.

In addition, the case study participants see a need to shift the focus of funding from first time homebuyer programs to programs that provide funding for affordable rental units, as McKean County has the highest rate of homeownership statewide. Meanwhile, the Housing Authority faces a lack of funding for infrastructure. Finally, respondents felt that a more coordinated public transportation system would help people gain access to jobs, which would reduce the affordable housing shortfall.

McKean County Housing Data

McKean County has a surplus of quality affordable housing, but a small deficit for extremely low-income households.

Quality Affordable Housing Supply and Demand Estimates for McKean County

	Supply	Demand	Surplus / deficit
≤ 30% AMI	1,011	1,028	-17
30-50% AMI	1,960	1,024	936
50-80% AMI	972	964	8
≤ 80% AMI	3,943	3,016	927

Source: HUD, 2000 CHAS, AHS

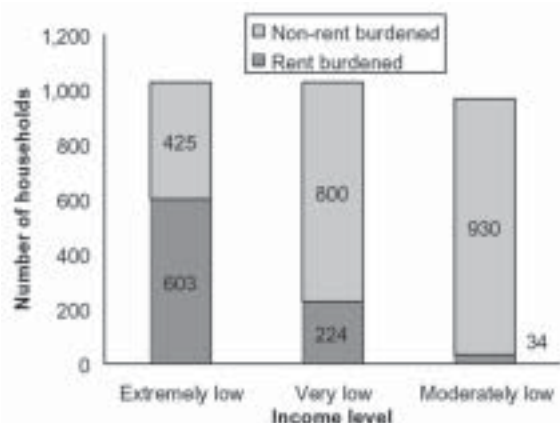
Rent Burden

Unable to find available affordable housing, many low-income households in McKean County occupy housing units above their affordability range. Overall, 29 percent of low-income households are rent burdened. Very low- and extremely low-income households comprise 96 percent of rent burdened low-income households.

Consistent with rural Pennsylvania in general, extremely low-income households have much higher percentages of rent-burdened households than other low-income households. Fifty-nine percent of extremely low-income households are rent burdened, compared to 22 percent of very

⁷ Based on a Memorandum of Understanding with DCED, PHFA now administers the HOME program starting with fiscal year 2005 funds.

Rent Burdened Households in McKean County by Low Income Level



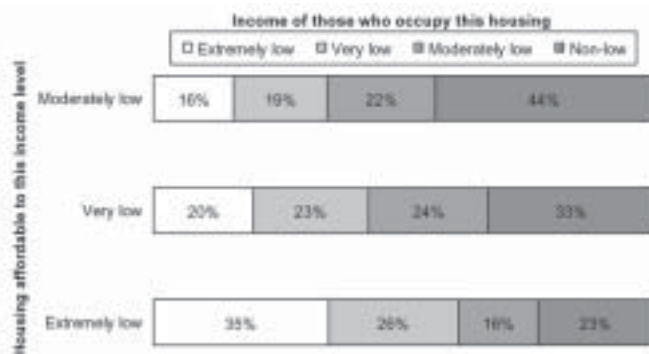
Source: Census 2000

low-income households and 4 percent of moderately low-income households.

Income Distribution within Affordable Rental Units

Higher-income households in McKean County occupy nearly two-thirds of housing units affordable to extremely low-income households. Higher-income households occupy 57 percent of units affordable to very low-income households. Renting down remains a housing concern for McKean County's low-income households.

Income of Affordable Rental Housing Occupants in McKean County by Affordability Level of the Units



Source: HUD, 2000 CHAS, AHS

Monroe County

Located near the northeast corner of the state, Monroe County has seen explosive growth in population over the past decade primarily from in-migration from New York and New Jersey. This growth has created an enormous increase in land values and an extreme shortage of affordable housing. Interviewees saw an almost total elimination of federal funding for the construction of affordable housing since 1993 and noted that the rental shortage situation has been exacerbated by a high homeownership rate. Although the county owned 300 public housing units, there was a waiting list of 919 in August 2004. Furthermore, there were 317 people in Section 8 housing and many more that could

be served, as evidenced by the county's significant homeless problem.

Participants attribute an inadequate supply of affordable housing mainly to a difficulty in acquiring affordable land for construction. Also, they feel zoning restrictions are hampering construction, especially because of the patchwork of regulations across townships. And the ability to acquire and rehab existing houses is impacted by the lack of rehab funds.

A unique feature of Monroe County is the high foreclosure rates on housing, well in excess of the state average. Respondents saw two main causes for this phenomenon. First, rising property values are causing unscrupulous land developers to sell property to families, mainly African-American and Hispanic families from New York and New Jersey, at inflated prices. This has been the subject of congressional and state legislative hearings. Second, as more families locate in Monroe County, its rural school districts have increased funding needs. This causes property taxes to rise, making many homeowners unable to afford their houses and impacting long-term Monroe County residents, especially the elderly and low- to moderate-income families.

To address these unique problems, the authorities have an aggressive plan of construction and rehabilitation complemented by a grant writer. Nevertheless, it is felt that that more help, especially in terms of funding, is needed to solve Monroe County's affordable housing crisis.

Monroe County Housing Data

Monroe County has a surplus of quality affordable housing, but a deficit for extremely low-income households.

Quality Affordable Housing Supply and Demand Estimates for Monroe County

	Supply	Demand	Surplus/deficit
≤ 30% AMI	1,344	2,205	-861
30-50% AMI	2,829	1,854	975
50-80% AMI	5,055	2,375	2,680
≤ 80% AMI	9,228	6,434	2,794

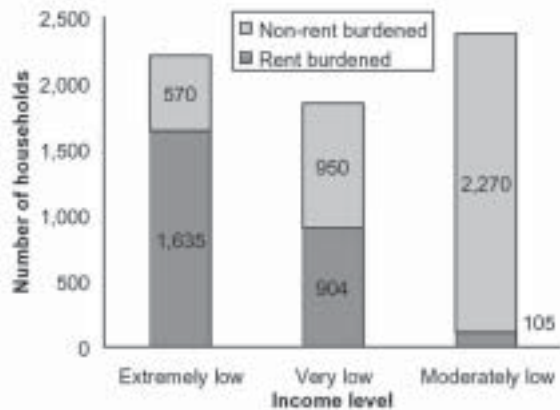
Source: HUD, 2000 CHAS, AHS

Rent Burden

Unable to find available affordable housing, many low-income households in Monroe County occupy housing units above their affordability range. Overall, 41 percent of low-income households are rent burdened. Very low- and extremely low-income households comprise 96 percent of rent burdened low-income households.

Consistent with rural Pennsylvania in general, extremely low-income households have much higher percentages of rent-burden than other low-income households. Seventy-four percent of extremely low-income households are rent burdened, compared to 49 percent of very low-income and 4 percent of moderately low-income households.

Rent Burdened Households in Monroe County by Low Income Level



Source: Census 2000

Income of Affordable Rental Housing Occupants in Monroe County by Affordability Level of the Units



Source: HUD, 2000 CHAS, AHS

Income Distribution within Affordable Rental Units

Renting down affects all income groups in Monroe County. Extremely low-income households occupy just 36 percent of the rental units affordable to them. Similar to Adams County, Monroe County has a substantial proportion (27 percent) of units affordable to extremely low-income households occupied by households with incomes exceeding 80 percent of AMI. Those who rent down fill 54

percent of rental units affordable to very low-income households. And non-low-income households also occupy 46 percent of units affordable to moderately low-income households. While the affordable housing supply for this latter income group is also restricted by lower-income rent burdened households, renting down is the greatest constraint.

Conclusions and Policy Considerations

The supply and demand analyses in this study show that across rural Pennsylvania there is a proven shortage of affordable housing that varies by region and even from county to county. Through interviews with rural stakeholders, the study derived qualitative information to complement the statistical analysis and provide further insights. Finally, the six county case studies highlight important and unique affordable housing trends in different regions of the state and help to draw attention to the different forces shaping regional housing needs. The following policy considerations are drawn from all these sources.

Establish an information clearinghouse

The state is encouraged to organize and maintain a database that posts all grants, loans, and forms of financial aid available to housing and redevelopment authorities. It could also post effective collaborative and entrepreneurial efforts of housing and redevelopment authorities for use by other

agencies. This clearinghouse could take the form of an email listserve with a message board.

Lessen the paperwork burden

The extensive paperwork for credit counseling, debt assistance, and first-time homebuyer programs is seen as onerous by governmental, nonprofit and private agencies and institutions, and private sector partners (developers, banks). The amount of paperwork bogs down both program participants and the employees charged with filing and reporting these forms. Therefore, state and federal reporting requirements should be reduced through legislation.

Increase funding for housing rehabilitation

One force that leads people, particularly the elderly on small, fixed incomes, into affordable housing programs is the cost of home rehabilitation. Housing rehabilitation requires considerably more money than what is made available to agencies for dis-

bursement, especially when one accounts for removal of lead based paint. Funds to rehabilitate more homes per year would increase the supply of affordable housing both by keeping people in their current home and by making vacant housing inhabitable.

Increase funds for the construction of affordable rental housing for low-income rural Pennsylvanians

Funding through tax credits and abatements are focused on those whose median income exceeds 40 percent of AMI. Little or no funding is available for the extremely poor whose incomes are below 30 percent of AMI. This is partly a result of high land acquisition and construction costs. New funds should target construction of rental housing for the rural poor. These funds could come from a reallocation of funding devoted to boosting home ownership. This is especially important as funding for Section 8 programs decline.

Increase emphasis on enforcing Fair Housing laws

Rural Pennsylvania has seen a significant increase in minority populations. These populations, mainly African-American and Hispanic, are disproportionately low income. To ensure adequate quality housing for this growing cohort, special effort should be made to enforce anti-discriminatory housing legislation.

Increase funding for transitional rural homeless shelters

Although the focus is often in urban areas, rural homelessness does exist. Facilities for individuals affected by

transitional living and homelessness are very rare in rural areas and often do not meet the need of the population affected. In fact, some rural Pennsylvania counties do not possess any transitional shelters. Funding for the establishment and/or expansion of these programs and shelters is vital.

Increase funding for public transportation in rural areas

Rural residents can afford to live in decent housing only if they are gainfully employed. Too often a lack of public transportation precludes low-income residents from jobs, which reduces their incomes and increases the cost burden associated with housing.

Interstate cooperation in the provision of affordable housing

The state should engage in discussion with bordering states to initiate regional affordable housing strategies aimed mainly at the moderately low-income population. This recommendation arises from observed cross-border migration trends in counties, such as Monroe and Adams.

Produce a statewide comprehensive housing plan

The state should produce a collaborative, comprehensive statewide plan for rural housing in conjunction with state funding agencies and rural housing agencies at the local level.

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APPENDIX – Organizations Participating in Case Study Site Visits

Adams County

Gettysburg Borough Council Chamber of Commerce; Adams County Planning Commission; Adams County Housing Authority; Adams County Interfaith Housing Corp.; USDA Rural Development Adams County, Grant Administrator

Cambria County

Cambria County Redevelopment Authority; NORCAM; Johnstown Housing Authority; Community Action Partnership of Cambria County; AmeriServe Financial Bank; Cambria County Planning Commission

Centre County

Central PA Community Action; Centre County Planning Office; Centre County Office of Adult Services; State College Borough Planning Office; Housing Transitions; S&A Homes; Centre County Worker's Resource Center; Centre County Mental Health/Mental Retardation

Fayette County

Uniontown Redevelopment Authority; Fayette County Redevelopment Authority; Fayette County Housing Authority; Fayette County Office of Planning, Zoning, and Community Development

McKean County

McKean County Housing and Redevelopment Authority

Monroe County

Fitzmaurice Community Services; Monroe County Commissioner; Monroe County Planning Commission; Monroe County Housing Authority; Monroe County, administrator and assessor; Pocono Healthy Communities Alliance; Pocono Mts. Industries (IDC), Monroe County Industrial Development Authority

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Northeast Regional Center for Rural Development



The Center for Rural Pennsylvania
200 North Third Street, Suite 600
Harrisburg, PA 17101
Phone: (717) 787-9555
Fax: (717) 772-3587
www.ruralpa.org
1P0706- 500